



TERRITORY OF AMERICAN SAMOA

Draft for Public Inspection & Comment

Consolidated Plan Amendment 2005-2009

Action Plan for the Neighborhood Stabilization Program
November 2008

THE NSP SUBSTANTIAL AMENDMENT

Jurisdiction: <u>Territory of American Samoa</u> <i>Lead Agency: Department of Commerce</i>	NSP Contact Person: Pat M. Galea'i', Single Point of Contact (SPOC)
Jurisdiction Web Addresses: www.dbas.org , www.doc.as , and www.americansamoa.gov	Address: P.O. Box 998168 Telephone: 684-633-5155 Fax: 684-633-4195 Email: patgaleai@yahoo.com

PROLOGUE

This document is a substantial amendment to American Samoa's approved Consolidated (2005 to 2009) and FFY 2008 Annual Action Plans for the program year that started July 1, 2008. The PY 2008 Annual Action Plan is an update of the Territory's Consolidated Plan for PY 2005 through 2009. This amendment outlines the expected distribution and use of funds through the newly authorized Neighborhood Stabilization Program (NSP), which the U.S. Department of Housing and Urban Development (HUD) is providing to the Territory. The NSP funds were authorized by the Housing and Economic Recovery Act of 2008 (HERA) as an adjunct to the Community Development Block Grant (CDBG) Program.

The Department of Commerce (DOC) will implement the planned use of NSP funds, and will work in close cooperation with the Development Bank of American Samoa (DBAS) in order to expeditiously deliver and effectively administer this program. DBAS provides essential services typical of lending institutions and housing counseling agencies that will assist in fulfilling the requirements of the NSP. Headed by Pat M. Galea'i, the Office of Federal Programs (OFP) will coordinate, oversee, and monitor the NSP program, just as it does all of American Samoa's Community Planning and Development (CPD) programs of HUD.

The purpose of the NSP funds is to address the negative ramifications of the housing crisis that occurred over the past five years primarily due to subprime mortgage lending which, nationally, resulted in significant numbers of homeowners entering into foreclosure and entire neighborhoods becoming vacant and abandoned. American Samoa has not exhibited the same level of housing foreclosures nationwide that has resulted in widespread foreclosures and abandoned homes. The Territory's less than average foreclosure problems could be attributed to the proactive approaches taken by the DOC and DBAS in addressing affordable housing issues, and because of the effectiveness of territorial housing construction and rehabilitation programs such as the HOME, the CDBG's Affordable Homes for the Most Needy, and other financing/refinancing programs.

While overall the foreclosure problems may not match the relative size of the national housing crisis that occurred in the rest of the United States, American Samoa still has critical needs and housing problems pertaining to foreclosed and abandoned properties. American Samoa has at least 922 home mortgage loans with double-digit interest rates of which 10.95 percent are delinquent. Bank of Hawaii -- the other local commercial bank besides ANZ-Amerika Samoa Bank -- refused to release pertinent housing and foreclosure data. Thus, the number of foreclosures, mortgage delinquencies, and abandoned properties could be as much as 50% higher than reported.

A. AREAS OF GREATEST NEED

As discussed in the prologue above, American Samoa's foreclosure problems do not begin to approach the size or level of the national housing crisis. Ergo, the Territory's areas of greatest need can more readily be identified.

The Territory of American Samoa has defined the following areas of greatest need:

- With over 600 home mortgages in its portfolio, the ANZ-Amerika Samoa Bank currently has 3 foreclosed homes, one of which is abandoned. Mortgages for these three homes total \$348,000.
- Providing mortgage loans to the lowest income groups, the Development Bank of American Samoa does not have the biggest home mortgage portfolio, but perhaps has mortgages most at risk. Reporting no foreclosures, DBAS claims 7 abandoned homes with outstanding mortgage balances totaling \$152,000.
- Although the Bank of Hawaii (BOH) did not divulge its foreclosure or delinquency figures, it is estimated that BOH has less than half of the portfolio of ANZ-Amerika Samoa Bank *id est* fewer than 300 mortgagees with possibly 1 or 2 potential foreclosures/abandoned homes.

The foreclosed and abandoned properties of the two commercial banks are located primarily in private land areas in Tualauta County (Tafuna Plain) on the main island of Tutuila, where about one-third of the Territory's housing stock is situated.

DBAS has 401 home mortgages with no foreclosures and 7 abandoned homes. These homes are scattered around the Territory, mostly on the main island of Tutuila and by and large in communal native areas. These numbers are likely to rise as economic conditions worsen.

The two commercial banks primarily provide mortgages for homes on freehold (fee simple) or individually-owned property. DBAS, on the other hand, mainly serves the lower income sector of the population, which is predominantly in communal land areas where the real property is under a ranking chief (sa'o) who controls land use and development on behalf of a clan or family. Although there have been instances whereby native lands have been alienated, for the most part, communal or native lands remain under the control of the sa'o, who assigns land parcels to blood relatives or others who serve the family. Land assignments are done traditionally or by means of separation agreements or leases. Leases are generally for 55 years. After the lease expires, the homeowner has the option of physically moving the house, renewing the lease, or giving/selling the house to the family.

B. DISTRIBUTION AND USES OF FUNDS

Provide a narrative describing how the distribution and uses of the grantee's NSP funds will meet the requirements of Section 2301(c)(2) of HERA that funds be distributed to the areas of greatest need, including those with the greatest percentage of home foreclosures, with the highest percentage of homes financed by a subprime mortgage related loan, and identified by the grantee as likely to face a significant rise in the rate of home foreclosures. **Note:** The grantee's narrative must address these three stipulated need categories in the NSP statute, but the grantee may also consider other need categories.

Response:

An area of greatest need in the Territory, as far as location is concerned, would be within the Tafuna Plain which is a major growth area experiencing the most haphazard (i.e. random and unsystematic) development. It is also where much of the individually-owned land is concentrated. Relatively few foreclosures have occurred in American Samoa despite generally high mortgage interest rates (in excess of 10%) in comparison to the rest of the United States. Traditional “subprime loans” (i.e. a type of loan that is offered at a rate above prime to individuals who do not qualify for prime rate loans) by the two commercial banks are not widespread; however, most, if not all, home mortgage loans provided by these two financial institutions carry interest rates well above prime, regardless of credit rating.

Another area of greatest need involves mortgaged homes on communal lands controlled by native chiefs or sa’os. In most cases, DBAS offers mortgages to homeowners situated on native or communal lands. The main reason for this is that DBAS serves lower income families and individuals who are unable to obtain loans from the commercial banks, need lower interest rates than the double-digit rates offered by the private banks to be able to afford decent homes of their own, and don’t own outright the lands their homes are on. In a way, these are “subprime loans” because they allow people that can’t acquire normal bank financing to obtain a home loan.

The main need categories for American Samoa based on the objectives of the NSP are:

1. Need to keep foreclosed homes by banks in good repair, encourage the purchase of these homes, and to protect the surrounding neighborhoods from blight and deterioration.
2. Need for funds by DBAS to move forward with foreclosures on their abandoned homes, demolish distressed structures, and replace them with decent affordable homes for low- to moderate-income households.
3. Need to use funds to restore and revitalize decrepit real property in order to bring in higher quality homes and neighborhood improvements thereby raising the overall quality of the Territory’s communities and neighborhoods.

The breakdown of income levels for American Samoan households as set out in the NSP is presented in the following chart. [Figures are taken from the most recent ASG Statistical Yearbook (2006) and refer back to the 2000 census.]

Median Income Categories for American Samoa Households

Item	Median Income (MI) Indicator	2000 Households	Percent of Households	Income Indicator	Income Range 2006 Statistic Yearbook
1	Below 50% of MI	2,344	25.0%	\$ 9,110	0 -\$9,999
2	Below 80% of MI	1,535	16.4%	\$ 14,575	\$10,000-\$14,999
3	Below 120% of MI	1726	18.5%	\$ 21,863	\$15,000-\$21,863*
4	Adjustment of MI	<353>	<03.8%>	-----	<\$15,000-\$24,999>
5	Above 120% of MI	3,391	36.3%		\$25,000 and above
	TERRITORY	9,349	100%	\$ 18,219	-----

** An adjustment was made to the census data to allow a “Below 120%” figure to be created.
NOTE: The 2000 census population count was 57,291. The current 2008 estimate is 69,300.*

Costs of Administration

American Samoa will utilize no more than 10 percent of the NSP funds available for administrative uses. More precisely, up to 10 percent will be retained by the Territory for administrative and monitoring requirements of the program (including potential use for specific tasks performed by DOC, DBAS, and OFP). This distribution is consistent with the Territory's use of administrative funds for the HOME Program.

Eligible Activities

DOC will make NSP funds available for the following statutorily eligible activities. NSP funds are eligible to:

- Establish financing mechanisms for purchase and redevelopment of foreclosed upon homes and residential properties, including such mechanisms as soft-second, loan loss reserves, and shared-equity loans for low- and moderate-income homebuyers.
- Purchase and rehabilitate homes and residential properties that have been abandoned or foreclosed upon, in order to sell, rent, or redevelop such homes and properties.
- Establish land banks for homes that have been foreclosed upon.
- Demolish blighted structures.
- Redevelop demolished or vacant properties.

HUD has established restrictions on these activities via its Notice on the allocation and application process for NSP funds. In particular, several of these activities are only eligible if the use of funds will address a foreclosed property. HUD has also waived the one-for-one replacement, but requires documentation on the number of units that will be produced. DOC will seek to provide NSP funds with the maximum authorized flexibility while adhering to HUD-mandated restrictions. DOC will also advise and provide technical assistance to all involved regarding these requirements.

The eligible activities outlined in this Action Plan for NSP funds are subject to change based upon HUD's approval of this Action Plan, and/or changes issued to the NSP Notice or interpretation of the Notice as clarified on the HUD website for this program: <http://www.hud.gov/nsp>.

C. DEFINITIONS AND DESCRIPTIONS

(1) Definition of "blighted structure" in context of state or local law.

Response:

A blighted structure usually entails an abandoned structure that lacks basic bathroom and kitchen facilities. Often the edifice has been stripped before being abandoned. Standards are much lower here than in the rest of the United States. Contextually, American Samoa will use the following definition of "blighted structure": A structure is blighted when it exhibits objectively determinable signs of deterioration sufficient to constitute a threat to human health, safety and public welfare (continuous and/or multiple code violations). The need is so great and the incomes so low that basic shelter is in great demand. Also, because of the tropical weather and traditionally large families, simple houses are adequate and overcrowding common – and accepted. Building standards follow the Uniform Building Code. Many of the lower income homes are small simple structures that provide for basic shelter.

(2) Definition of “affordable rents.” **Note:** Grantees may use the definition they have adopted for their CDBG program but should review their existing definition to ensure compliance with NSP program – specific requirements such as continued affordability.

Response:

NSP-assisted units will carry rent and occupancy restriction requirements. The rents will be set in order that individuals pay no more than 30 percent of their gross income for rent, including utilities or the applicable fair market rents for the area less any utility costs paid by the tenants, whichever is lower.

Generally rents will be low, no more than \$300 per month excluding utilities, as the median household income in 2006 was only \$18,219 a year. On communal lands, a significant number of households in rental houses do not actually pay rent. As an integral part of Samoan communal living, instead of rental payments, the matai or sa’o receives financial or other support whenever there is an occurrence or need within the clan/family, such as a wedding, funeral, title investiture, or other urgent situation. There are no property taxes in American Samoa.

(3) Describe how the grantee will ensure continued affordability for NSP assisted housing.

Response:

HUD requires that states and territories ensure, to the maximum extent practicable and for the longest feasible term, that the sale, rental or redevelopment of abandoned and foreclosed upon homes and residential properties remain affordable to individuals or families whose incomes do not exceed 120 percent of area median income (AMI).

For NSP-assisted rental units and single family units, the required periods will be consistent with the requirements of the HUD HOME program.

All homebuyer and rental units assisted must include provisions for long-term affordability restrictions meeting at least the following requirements:

HOMEBUYER/RENTER UNITS AFFORDABILITY PERIODS & RESTRICTIONS

Subsidy Amount (amount of NSP assistance provided to a qualified homebuyer)	Minimum Affordability Period	Minimum Restriction
< \$15,000	5 years	Subsidy recapture, 20 percent forgiveness each year
\$15,000 – \$40,000	10 years	Subsidy recapture, 10 percent forgiveness each year
\$40,001 and over	15 years	Subsidy recapture, 6.6 percent forgiveness each year
Rehabilitation of rental housing	15 years	Same as above
New construction of rental housing	20 years	Subsidy recapture, 5 percent forgiveness each year

Proceeds from resale where subsidy recapture provision is used can be reinvested in eligible NSP activities within the first five program years. After that timeframe, proceeds ordinarily must be returned to the Federal Treasury in accordance with the HUD Notice for NSP.

Rental

Current HUD regulations state that all rental income above that needed for operations, maintenance and reserves is considered program income and must be returned to HUD. This provision does not provide for a sliding scale or shared return of those funds. Therefore, American Samoa will consider the long term feasibility of rental housing using these funds.

Rent, occupancy, and affordability requirements for homebuyer and rental units will be enforced with covenants, mortgages, or deed restrictions running with the property. The period of affordability equals the period of compliance. The larger amount of NSP subsidy usually means a longer period of affordability.

The definition of “Continued Affordability” in this Action Plan for NSP funds is subject to change based upon HUD’s approval of this Action Plan, and/or changes issued to the NSP Notice or interpretation of the Notice as clarified on the HUD website for this program: <http://www.hud.gov/nsp>.

(4) Describe housing rehabilitation standards that will apply to NSP assisted activities.

Response:

The housing rehabilitation standards that will apply to NSP assisted activities will be consistent with those articulated in the HUD Quality Standards (24 CFR, Subtitle B, Chapter IX, Part 982, Subpart I). In addition, the Uniform Building Code (UBC) has been adopted for American Samoa and is applicable to the construction, alteration, repair, movement, equipment, removal, demolition, maintenance, occupancy or change of occupancy of every building or structure which occurs in the Territory. Title 26, Chapter 10, Section 26.1001 of the American Samoa Code Annotated.

Housing Rehabilitation Program staff will provide written rehabilitation standards with a write-up of the deficiencies of each unit to be rehabilitated. After rehabilitation, the property, must at a minimum, meet the Section 8 Housing Quality Standards, applicable building codes, zoning ordinances, and cost effective energy conservation standards.

D. LOW INCOME TARGETING

Identify the estimated amount of funds appropriated or otherwise made available under the NSP to be used to purchase and redevelop abandoned or foreclosed upon homes or residential properties for housing individuals or families whose incomes do not exceed 50 percent of area median income: \$ TBD.

Note: At least 25% of funds must be used for housing individuals and families whose incomes do not exceed 50 percent of area median income.

Response:

American Samoa's estimated amount of funds appropriated or otherwise made available under the NSP to be used to purchase and redevelop foreclosed and/or vacant and/or blighted properties to be targeted for individuals and families whose incomes do not exceed 50 percent of area median income (AMI) will be at least 25% of the Direct NSP Allocation.

E. ACQUISITIONS & RELOCATION

Indicate whether grantee intends to demolish or convert any low- and moderate-income dwelling units (i.e., ≤ 80% of area median income).

If so, include:

- The number of low- and moderate-income dwelling units—i.e., ≤ 80% of area median income—reasonably expected to be demolished or converted as a direct result of NSP-assisted activities.
- The number of NSP affordable housing units made available to low-, moderate-, and middle-income households—i.e., ≤ 120% of area median income—reasonably expected to be produced by activity and income level as provided for in DRGR, by each NSP activity providing such housing (including a proposed time schedule for commencement and completion).
- The number of dwelling units reasonably expected to be made available for households whose income does not exceed 50 percent of area median income.

Response:

While HUD waived the “one-for-one” requirement to replace all housing units for low and moderate-income households that are lost due to demolition or modification of housing, the HUD Notice on NSP requires information about how such losses will be mitigated. American Samoa anticipates demolishing and converting buildings that would result in the loss of low- and moderate-income housing units with NSP funds. This section of the Action Plan offers a planning estimate on the use of the funds for demolition and number of units to be lost. This section also notes the efforts to mitigate the loss of such housing units using NSP and other funding sources.

- American Samoa will demolish or convert properties that will result in the loss of 7 housing units for low and moderate-income households, not to exceed 80 percent AMI.
- American Samoa expects to make available 12 affordable housing units for low, moderate and middle-income households, not to exceed 120 percent AMI.
- Within that total number of housing units, 4 units will be made available for low-income households, not to exceed 50 percent AMI.

Time Schedule

The Territory's proposed time schedule anticipates that acquisition and construction work on those units will begin March 2009, and the bulk of these units will be completed by January 2010.

F. PUBLIC COMMENT

Provide a summary of public comments received to the proposed NSP Substantial Amendment.

Response:

This section will provide a summary of public comments received regarding the proposed NSP Substantial Amendment. This section will be added once the document is sent to HUD.

Individuals wishing to comment on this amendment may send written comments to the following persons:

1. Mr. Pat M. Galea'i, Office of Federal Programs, American Samoa Government, A. P. Lutali Executive Office Bldg.-2nd Floor, Pago Pago, AS 96799 or patgaleai@yahoo.com.
2. Mr. Charles Seitz, Department of Commerce, American Samoa Government, A. P. Lutali Executive Office Bldg.-2nd Floor, Pago Pago, AS 96799 or charles.seitz@doc.as
3. Ms. Jilla Piroozmandi, Development Bank of American Samoa, P. O. Box 9, Pago Pago, AS 96799 or jilla@dbas.org

Written comments must be received by Saturday, November 29, 2008.

G. *NSP INFORMATION BY ACTIVITY (COMPLETE FOR EACH ACTIVITY)*

ACTIVITY I

(1) **Activity Name:** Financing Mechanisms (e.g Down Payment & Closing Costs Assistance)

(2) **Activity Type:** NSP Activity (A); CDBG Eligible Activity 24 CFR 570.206 Delivery Costs, 24 CFR 570.201 (n) Direct homeownership assistance (as modified)

(3) **National Objective:** Meets national objective benefiting low, moderate and middle-income persons, as defined in the NSP Notice (\leq 120 percent of area median income)

(4) **Projected Start Date:** March 1, 2009

(5) **Projected End Date:** June 30, 2013

(6) **Responsible Organization:** Development Bank of American Samoa (DBAS)

(7) **Location Description:** Tutuila and Manu'a islands of American Samoa

(8) **Activity Description:** It is planned that funds may assist low, moderate and middle-income families wishing to secure low-interest home loans through the payment of part or all of the required down payment and loan closing costs. It is also anticipated that funds may assist those households at or below 50 percent AMI because they are least able to qualify for homeownership.

All housing activities will be subject to the definitions of affordability outlined in this Action Plan.

The range of interest rates will be consistent with those set forth in HUD HOME regulations.

Counseling required for NSP assistance would be made through the HOME Program with DBAS and would include financing issues.

(9) Budget: Projected 15% of not yet determined budget. [See table in Section H below.]

(10) Performance Measure: The primary measure is the appropriate actions taken on the up to twelve (12) foreclosed and/or vacant and/or blighted properties and the rehabilitated or replaced homes sold. These funds would be used for helping low-income buyers qualify for loan and the measure would be the number counseled and the final amounts expended in helping buyers receive loans.

ACTIVITY II

(1) Activity Name: Acquisition/Purchase and Development/Rehabilitation of Homes

(2) Activity Type: NSP Activity (B); CDBG Eligible Activity 24 CFR 570.201 (a) Acquisition, and (b) Disposition; NSP Activity (B); CDBG Eligible Activity 24 CFR 570.201 (n) Direct homeownership assistance (as modified)

(3) National Objective: Meets national objective benefiting low, moderate and middle-income persons, as defined in the NSP Notice ($\leq 120\%$ of area median income) This activity is open to low through middle-income families, but the focus would be on rehabilitating or replacing abandoned homes and selling them to low (less than \$9,110) and moderate (less than \$14,575) income families. By eliminating these blighted and/or vacant properties, all neighboring homes would be stabilized and help curb further foreclosures, particularly on low and moderate-income families.

(4) Projected Start Date: March 1, 2009

(5) Projected End Date: June 30, 2013

(6) Responsible Organization: Development Bank of American Samoa (DBAS). Contact person is **Jilla Piroozmandi** at the DBAS office in Pago Pago Village on Tutuila Island, call at (684) 633-4031, FAX at (684) 633-1163 or e-mail at jilla@dbas.org.

(7) Location Description: Tutuila and Manu'a islands of American Samoa; All properties will be located in the areas of greatest need, as heretofore described. Precise sites will be determined when foreclosed and/or vacant and/or blighted properties are appropriately identified and finalized with lending institutions.

(8) Activity Description: American Samoa anticipates the largest share of funds to be directed into this activity primarily for homeownership, as well as perhaps a minimal portion for rental properties. The properties acquired will be ultimately made available to income-eligible buyers.

It is anticipated that minimal funds may assist those households at or below 50 percent AMI because they are least able to qualify for homeownership

All housing activities will be subject to the definitions of affordability outlined in this Action Plan. The amount of purchase discount anticipated will be at least five percent, but a greater rate of discount will be sought. The exact discount rate will be determined once definite purchase and development information is received and negotiated. This activity involves moving forward on foreclosures, extending leases on communal properties and either rehabilitating existing sound homes, demolishing blighted homes with site reconstruction, building new homes on vacant residential properties or placing vacant properties in a land bank for future development.

(9) **Budget:** Projected 25% of not yet determined budget. [See table in Section H below.]

(10) **Performance Measure:** The primary measure is the appropriate actions taken on the up to twelve (12) foreclosed and/or vacant and/or blighted properties and the number of rehabilitated or replaced homes sold.

ACTIVITY III

(1) **Activity Name:** Demolition of Blighted/Abandoned Structures

(2) **Activity Type:** NSP Activity (D); CDBG Eligible Activity 24 CFR 570.201 (d)
Clearance for blighted structures only.

(3) **National Objective:** Meets national objective benefiting low, moderate and middle-income persons, as defined in the NSP Notice \leq 120 percent of area median income)

(4) **Projected Start Date:** March 1, 2009

(5) **Projected End Date:** June 30, 2013

(6) **Responsible Organization:** Development Bank of American Samoa (DBAS). Contact person is Jilla Piroozmandi at the DBAS office in Pago Pago Village on Tutuila Island, call at (684) 633-4031, FAX at (684) 633-1163 or e-mail at jilla@dbas.org.

(7) **Location Description:** Tutuila and Manu'a islands of American Samoa; All properties will be located in the areas of greatest need, as heretofore described. Precise sites will be determined when foreclosed and/or vacant and/or blighted properties are appropriately identified.

(8) **Activity Description:** The Territory anticipates a share of funds to be directed into this activity. The properties demolished with these funds will be blighted structures, and some of which will be previously foreclosed upon homes. NSP funds cannot be used to acquire these properties unless the properties are foreclosed.

While these funds will not provide a direct benefit to households at or below 50 percent AMI, the blight removal may provide benefits to locations in which the income for the area is at or below 50 percent AMI.

The Territory will inspect vacant and abandoned homes and properties to determine condition, and then remove those that are a hazard or not able to be rehabilitated. These sites are to be either placed in a land

bank for future development or decent affordable housing will be built on the site. The new housing would be sold to qualified buyers that meet the LMHI requirements with at least 25% of the funds expended being for households at 50% or below AMI.

(9) **Budget:** Projected 30% of not yet determined budget. [See table in Section H below.]

(10) **Performance Measure:** The primary measure is the appropriate actions taken on the up to twelve (12) foreclosed and/or vacant and/or blighted properties, the amount of acquired land placed in a land bank, and the number of rehabilitated or replaced homes sold.

ACTIVITY IV

(1) **Activity Name:** Redevelop Demolished or Vacant Properties

(2) **Activity Type:** NSP Activity (E); CDBG Eligible Activity Waiver per HUD Notice for NSP

(3) **National Objective:** Meets national objective benefiting low, moderate and middle-income persons, as defined in the NSP Notice (≤ 120 percent of area median income)

(4) **Projected Start Date:** March 1, 2009

(5) **Projected End Date:** June 30, 2013

(6) **Responsible Organization:** Development Bank of American Samoa (DBAS). Contact person is Jilla Piroozmandi at the DBAS office in Pago Pago Village on Tutuila Island, call at (684) 633-4031, FAX at (684) 633-1163 or e-mail at jilla@dbas.org.

(7) **Location Description:** Various locations on Tutuila and Manu'a islands of American Samoa; All properties will be located in the areas of greatest need, as heretofore described. Precise sites will be determined when foreclosed and/or vacant and/or blighted properties are appropriately identified.

(8) **Activity Description:** After hazardous and derelict structures have been removed and their sites cleared, housing and community development projects would be developed for lands made available

(9) **Budget:** Projected 20% of not yet determined budget. [See table in Section H.]

(10) **Performance Measure:** The primary measure is the amount of demolished land placed in a land bank and the number of decent affordable homes constructed and sold.

ACTIVITY V

(1) **Activity Name:** Program Administration.

(2) **Activity Type:** NSP Activity per HUD Notice; CDBG Eligible Activity 24 CFR 570.206

(a) Administration – General Management and Oversight

(3) **National Objective:** Meets national objective benefiting low, moderate and middle-income persons, as defined in the NSP Notice ($\leq 120\%$ of area median income)

(4) **Projected Start Date:** October 2008 for pre-award costs; Date of NSP award for other costs

(5) **Projected End Date:** June 30, 2013

(6) **Responsible Organization:** Development Bank of American Samoa (DBAS)

(7) **Location Description:** Tutuila and Manu'a islands of American Samoa

(8) **Activity Description:** Funds would be used to pay for development of the amendment to the Consolidated Plan and conduct the public review and comment. Once the funds are made available locally, they will be used for administration, general management, and oversight of the NSP.

(9) **Budget:** Projected 10% of not yet determined budget. [See Table in Section H below]

(10) **Performance Measure:** NSP funds effectively and timely expended and administered in accordance with this Action Plan, its approved budget, and applicable federal regulations.

H. TOTAL BUDGET

<i>Item</i>	<i>Activity</i>	<i>Grant Amount</i>	<i>Percent</i>
I	Financing Mechanism: Down Payment/Closing Costs	N/A	15%
II	Purchase/Rehabilitation of Homes/Residential Properties	N/A	25%
III	Demolition of Blighted/Abandoned Structures	N/A	30%
IV	Redevelop Demolished or Vacant Properties	N/A	20%
V	Program Administration (including pre-award costs)	N/A	10%
<i>TOTAL</i>		<i>N/A</i>	<i>100%</i>

N/A – Not Available

CERTIFICATIONS

- (1) **Affirmatively further fair housing.** The jurisdiction will affirmatively further fair housing, which means that it will conduct an analysis to identify impediments to fair housing choice within the jurisdiction, take appropriate actions to overcome the effects of any impediments identified through that analysis, and maintain records reflecting the analysis and actions in this regard.
- (2) **Anti-lobbying.** The jurisdiction will comply with restrictions on lobbying required by 24 CFR part 87, together with disclosure forms, if required by that part.
- (3) **Authority of Jurisdiction.** The jurisdiction possesses the legal authority to carry out the programs for which it is seeking funding, in accordance with applicable HUD regulations and other program requirements.
- (4) **Consistency with Plan.** The housing activities to be undertaken with NSP funds are consistent with its consolidated plan, which means that NSP funds will be used to meet the congressionally identified needs of abandoned and foreclosed homes in the targeted area set forth in the grantee's substantial amendment.
- (5) **Acquisition and relocation.** The jurisdiction will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (42 U.S.C. 4601), and implementing regulations at 49 CFR part 24, except as those provisions are modified by the Notice for the NSP program published by HUD.
- (6) **Section 3.** The jurisdiction will comply with section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u), and implementing regulations at 24 CFR part 135.
- (7) **Citizen Participation.** The jurisdiction is in full compliance and following a detailed citizen participation plan that satisfies the requirements of Sections 24 CFR 91.105 or 91.115, as modified by NSP requirements.
- (8) **Following Plan.** The jurisdiction is following a current consolidated plan (or Comprehensive Housing Affordability Strategy) that has been approved by HUD.
- (9) **Use of funds in 18 months.** The jurisdiction will comply with Title III of Division B of the Housing and Economic Recovery Act of 2008 by using, as defined in the NSP Notice, all of its grant funds within 18 months of receipt of the grant.
- (10) **Use NSP funds \leq 120 of AMI.** The jurisdiction will comply with the requirement that all of the NSP funds made available to it will be used with respect to individuals and families whose incomes do not exceed 120 percent of area median income.
- (11) **Assessments.** The jurisdiction will not attempt to recover any capital costs of public improvements assisted with CDBG funds, including Section 108 loan guaranteed funds, by assessing any amount against properties owned and occupied by persons of low- and moderate-income, including any fee charged or assessment made as a condition of obtaining access to such public improvements. However, if NSP funds are used to pay the proportion of a fee or assessment attributable to the capital costs of public improvements (assisted in part with NSP funds) financed from other revenue sources, an assessment or charge may be made

against the property with respect to the public improvements financed by a source other than CDBG funds. In addition, with respect to properties owned and occupied by moderate-income (but not low-income) families, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than NSP funds if the jurisdiction certifies that it lacks NSP or CDBG funds to cover the assessment.

(12) **Excessive Force.** The jurisdiction certifies that it has adopted and is enforcing: (1) a policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in non-violent civil rights demonstrations; and (2) a policy of enforcing applicable State and local laws against physically barring entrance to or exit from, a facility or location that is the subject of such non-violent civil rights demonstrations within its jurisdiction.

(13) **Compliance with anti-discrimination laws.** The NSP grant will be conducted and administered in conformity with title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d), the Fair Housing Act (42 U.S.C. 3601-3619), and implementing regulations.

(14) **Compliance with lead-based paint procedures.** The activities concerning lead-based paint will comply with the requirements of part 35, subparts A, B, J, K, and R of this title.

(15) **Compliance with laws.** The jurisdiction will comply with applicable laws.

Signature/Authorized Official

Date

Title

NSP Substantial Amendment Checklist

For the purposes of expediting review, HUD asks that applicants submit the following checklist along with the NSP Substantial Amendment and SF-424.

Contents of an NSP Action Plan Substantial Amendment

Jurisdiction(s): _____ Lead Agency Jurisdiction Web Address: (URL where NSP Substantial Amendment materials are posted)	NSP Contact Person: Address: Telephone: Fax: Email:
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The elements in the substantial amendment required for the Neighborhood Stabilization Program are:

A. AREAS OF GREATEST NEED

Does the submission include summary needs data identifying the geographic areas of greatest need in the grantee's jurisdiction?

Yes ☐ No ☐ Verification found on page _____.

B. DISTRIBUTION AND USES OF FUNDS

Does the submission contain a narrative describing how the distribution and uses of the grantee's NSP funds will meet the requirements of Section 2301(c)(2) of HERA that funds be distributed to the areas of greatest need, including those with the greatest percentage of home foreclosures, with the highest percentage of homes financed by a subprime mortgage related loan, and identified by the grantee as likely to face a significant rise in the rate of home foreclosures?

Yes ☐ No ☐ Verification found on page _____.

Note: The grantee's narrative must address the three stipulated need categories in the NSP statute, but the grantee may also consider other need categories.

C. DEFINITIONS AND DESCRIPTIONS

For the purposes of the NSP, do the narratives include:

- a definition of "blighted structure" in the context of state or local law,
Yes ☐ No ☐ Verification found on page _____.
- a definition of "affordable rents,"
Yes ☐ No ☐ Verification found on page _____.
- a description of how the grantee will ensure continued affordability for NSP assisted housing,
Yes ☐ No ☐ Verification found on page _____.

- a description of housing rehabilitation standards that will apply to NSP assisted activities?

Yes ☐ No ☐ Verification found on page ____.

D. INFORMATION BY ACTIVITY

Does the submission contain information by activity describing how the grantee will use the funds, identifying:

- eligible use of funds under NSP,
Yes ☐ No ☐ Verification found on page ____.
- correlated eligible activity under CDBG,
Yes ☐ No ☐ Verification found on page ____.
- the areas of greatest need addressed by the activity or activities,
Yes ☐ No ☐ Verification found on page ____.
- expected benefit to income-qualified persons or households or areas,
Yes ☐ No ☐ Verification found on page ____.
- appropriate performance measures for the activity,
Yes ☐ No ☐ Verification found on page ____.
- amount of funds budgeted for the activity,
Yes ☐ No ☐ Verification found on page ____.
- the name, location and contact information for the entity that will carry out the activity,
Yes ☐ No ☐ Verification found on page ____.
- expected start and end dates of the activity?
Yes ☐ No ☐ Verification found on page ____.

E. SPECIFIC ACTIVITY REQUIREMENTS

Does each activity narrative describe the general terms under which assistance will be provided, including:

If the activity includes acquisition of real property,

- the discount required for acquisition of foreclosed upon properties,
Yes ☐ No ☐ Verification found on page ____.

If the activity provides financing,

- the range of interest rates (if any),
Yes ☐ No ☐ Verification found on page ____.

If the activity provides housing,

- duration or term of assistance,
Yes ☐ No ☐ Verification found on page _____.
- tenure of beneficiaries (e.g., rental or homeownership),
Yes ☐ No ☐ Verification found on page _____.
- does it ensure continued affordability?
Yes ☐ No ☐ Verification found on page _____.
- does the applicant indicate which activities will count toward the statutory requirement that at least 25% of funds must be used to purchase and redevelop abandoned or foreclosed upon homes or residential properties for housing individuals and families whose incomes do not exceed 50% of area median income?
Yes ☐ No ☐ Verification found on page _____.

F. LOW INCOME TARGETING

- Has the grantee described how it will meet the statutory requirement that at least 25% of funds must be used to purchase and redevelop abandoned or foreclosed upon homes or residential properties for housing individuals and families whose incomes do not exceed 50% of area median income?
Yes ☐ No ☐ Verification found on page _____.
- Has the grantee identified how the estimated amount of funds appropriated or otherwise made available will be used to purchase and redevelop abandoned or foreclosed upon homes or residential properties for housing individuals or families whose incomes do not exceed 50% of area median income?
Yes ☐ No ☐ Verification found on page _____.
Amount budgeted = \$ _____.

G. DEMOLISHMENT OR CONVERSION OF LOW- AND MODERATE-INCOME UNITS

Does grantee plan to demolish or convert any low- and moderate-income dwelling units?

Yes ☐ No ☐ (If no, continue to next heading)
Verification found on page _____.

Does the substantial amendment include:

- The number of low- and moderate-income dwelling units—i.e., $\leq 80\%$ of area median income—reasonably expected to be demolished or converted as a direct result of NSP-assisted activities?
Yes ☐ No ☐ Verification found on page _____.
- The number of NSP affordable housing units made available to low-, moderate-, and middle-income households—i.e., $\leq 120\%$ of area median income—reasonably expected to be produced by activity and income level as provided for in DRGR, by each NSP activity providing such housing (including a proposed time schedule for commencement and completion)?
Yes ☐ No ☐ Verification found on page _____.

- The number of dwelling units reasonably expected to be made available for households whose income does not exceed 50 percent of area median income?
Yes ☐ No ☐ Verification found on page _____.

H. PUBLIC COMMENT PERIOD

Was the proposed action plan amendment published via the grantee jurisdiction's usual methods and on the Internet for no less than 15 calendar days of public comment?

Yes ☐ No ☐ Verification found on page _____.

Is there a summary of citizen comments included in the final amendment?

Yes ☐ No ☐ Verification found on page _____.

I. WEBSITE PUBLICATION

The following Documents are available on the grantee's website:

- SF 424 Yes ☐ No ☐.
- Proposed NSP Substantial Amendment Yes ☐ No ☐.
- Final NSP Substantial Amendment Yes ☐ No ☐.
- Subsequent NSP Amendments Yes ☐ No ☐.

Website URL: _____

K. CERTIFICATIONS

The following certifications are complete and accurate:

- | | | |
|--|------------------------------|-----------------------------|
| (1) Affirmatively furthering fair housing | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| (2) Anti-lobbying | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| (3) Authority of Jurisdiction | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| (4) Consistency with Plan | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| (5) Acquisition and relocation | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| (6) Section 3 | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| (7) Citizen Participation | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| (8) Following Plan | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| (9) Use of funds in 18 months | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| (10) Use NSP funds \leq 120 of AMI | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| (11) No recovery of capital costs thru special assessments | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| (12) Excessive Force | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| (13) Compliance with anti-discrimination laws | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| (14) Compliance with lead-based paint procedures | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| (15) Compliance with laws | Yes <input type="checkbox"/> | No <input type="checkbox"/> |